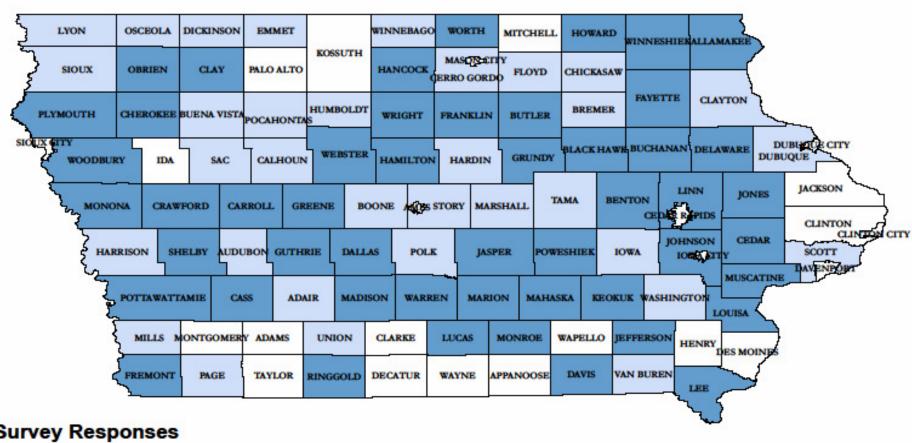
Agricultural Adjustment Issues

June 2012

Survey of Land Use Adjustments



Survey Responses

No Response

Adjustments The map is based on survey results gathered July 1, 2011. No Adjustments

Iowa Department of Revenue Property Tax Division Created 6/6/2012 slc

Ag Adjustment Committee

- Goals
 - Consistency & Uniformity

Transparency for Taxpayers

IDR Responsibility

421.17 Powers and duties of director

-to the end that all assessments of property and taxes levied on the property be made relatively just and uniform.....
 a uniform and legal assessment of
-a uniform and legal assessment of property as prescribed by law......
-shall determine the degree of uniformity of valuation as between various assessing jurisdictions.......

IDR Responsibility

421.17 Powers and duties of director

For the purpose of bringing about uniformity and equalization of assessments throughout the state of lowa, the director shall prescribe rules relating to the standards of value to be used by assessing authorities in the determination, assessment and equalization of actual value for assessment purposes of all property subject to taxation......

How is Agricultural Land Valued Today?

IDR calculates productivity value

CSR's & Value

County Practices

CSR – What does it do well?

Measures soil productivity for row crop production.

CSR – What does it not do?

Not a reliable measure for non-row crop land productivity.

Why?

Presumes

"low productive soil" =

low CSR.

NOT TRUE.

The Issue

- Non-row crop parcel may carry a high CSR.
- Resulting in valuation similar to row crop land.

Proposed Solution

 1st Develop method for uniformity and consistency

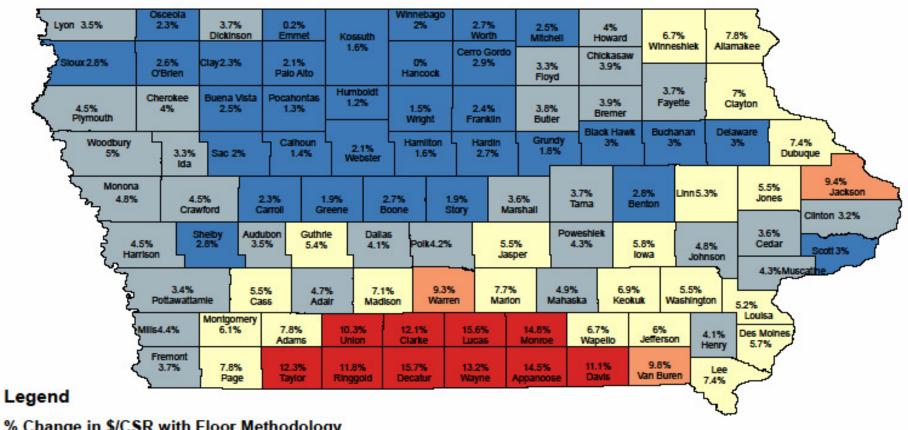
 Recognize limitations and strengths of CSR

 Recognize limitations and strengths of FSA land use layer

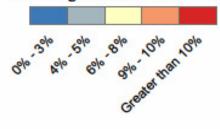
Proposed Solution

- Zero in on problem CSR's
 - Adjust "high" CSR's on non-row crop
 - Create a "floor" CSR for adjustments
 - 5 year ** average Cash Rent debasement model

Percentage of Change in Dollars per CSR with Floor Methodology



% Change in \$/C\$R with Floor Methodology



Base CSR =		30	Acres	CSR rating		Base CSR	Increment CSR	debased Incr CSR	Total Adj CSR	Total Points
adjust to CSRs above baseline Cash rent model	-0.78	22%			unadjusted CSRs		(CSR minus base CSR)	(incr CSR times debaseme nt residual)	Column I +	(= reduced CSRs for calcuations
NonCrop		142	13.36	83	1,108.88	30	53	11.7	41.7	556.58
		163C	0.85	70	59.5	30	40	8.8	38.8	32.98
		163D	7.61	60	456.6	30	30	6.6	36.6	278.53
		163F	5.32	30	159.6	30	0	0.0	30.0	159.60
		163G	1.38	20	27.6	20	0	0.0	20.0	27.60
		478G	11.09	5	55.45	5	0	0.0	5.0	55.45
		480D	0.21	55	11.55	30	25	5.5	35.5	7.46
		Totals	39.82		1,879.18					1118.19
									% Change	40.5%

Alternative Solutions?

Allamakee Co	untv											
Cash Rent Debasement		0.8075										
Average Tillable CSR		59							-			
•									-			
Floor for Non Row Crop		30										
					Spots		Floor		Adj	Adj total	Adj Total	Unadjusted
symbol	Adj Cal Acres	LCC	CSR	Till / NT	/Lines	S/L CSR	CSR	Inc CSR	CSR	CSR	Points	Total Points
162B	0.26	2E	90	NT			30	60	11.55	41.55	10.80	23.40
162B	10.96	2E	90	Т						90.00	986.40	986.40
162C2	8.12	3E	73	NT			30	43	8.278	38.28	310.81	592.76
162C2	86.13	3E	73	Т						73.00	6,287.49	6,287.49
162D2	0.01	3E	63	NT			30	33	6.353	36.35	0.38	0.65
162D2	4.42	3E	63	Т						63.00	278.44	278.44
163C2	3.45	3E	68	NT	2.5	-170	30	38	7.315	37.32	35.37	64.46
163C2	65.14	3E	68	Т						68.00	4,429.66	4,429.66
163D2	6.82	3E	58	NT	0.5	-29	30	28	5.39	35.39	223.62	366.49
163D2	31.29	3E	58	Т						58.00	1,814.89	1,814.89
40D	6.67	7E	5	NT			5	0	0	5.00	33.33	33.33
40D	1.56	7E	5	Т						5.00	7.82	7.82
478G	2.90		5	NT			5	0	0	5.00	14.49	14.49
478G	0.04		5	Т						5.00	0.20	0.20
499E	0.38	75	5	Т						5.00	1.90	1.90
703D2	0.20	4E	21	NT			21	0	0	21.00	4.25	4.25
703D2	2.23	4E	21	Т						21.00	46.78	46.78
85B	6.11	2W	83	NT	0.5	-41.5	30	53	10.2	40.20	225.67	465.92
85B	10.41	2W	83	Т						83.00	863.74	863.74
903D2	1.35	4E	28	NT			28	0	0	28.00	37.90	37.90
903D2	1.06	4E	28	T						28.00	29.58	29.58
98	0.37	1	95	Т						95.00	35.15	35.15

Allamakee County										
Cash Rent Debasement	0.8075									
Average Tillable CSR	59									
Floor for Non Row Crop	30									
Total Calculated Acres	249.88									
Total Calculated Tillable acr	213.99	86%								
Total Calculated NT	35.89	14%								
Total Adjusted Points	15,678.68									
Total Unadjusted Points	16,385.70									
Assessors Points	16,386.00									
% Change in Points	4.3%									
						Estimated Assessed Value				
Calculated \$/CSR assuming	countywide n	o Deba	sement*	*	22.00	360,485				
** excluding spots and lines										
Calculated \$/CSR using floo	or model				23.76	372,525	3.23%	change in value		
						2011 Actual Land Value				
						164,000				
						196,500				
						360,500				